

**GOVERNMENT OF TELANGANA**  
**ABSTRACT**

Irrigation & CAD Department - Setting up a Special Purpose Vehicle named  
"Telangana Water Resources Development Corporation" – Orders – Issued.

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**IRRIGATION AND CAD (WRG-GRC) DEPARTMENT**

**G.O.Ms.No. 16**

**Dated: 23-02-2017**

**Read:**

**From the ENC(Irrigation) Hyd. Lr.No.ENC/DCES/OT.3/AEE.8/  
Water Resources , Dt. 23.02.2017.**

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**ORDER:-**

Telangana State has taken up an ambitious programme to provide Irrigation facilities to One Crore Acres of agricultural lands including existing projects ayacut. In order to accomplish this task there is a need to setup a Special Purpose Vehicle (SPV) for raising additional financial resources supplementing budgetary resources for funding on going Irrigation projects.

2. In this connection Engineer-in-Chief(Irrigation), Hyderabad had submitted a proposal for setting up Telangana Water Resources Development Corporation. Government after careful examination of the matter, hereby decide to setup Special Purpose Vehicle (SPV) named as "Telangana Water Resources Development Corporation" in order to seek and raise financial support for ongoing Irrigation projects.

3. The terms of the proposed Special Propose Vehicle are as follows:

- I. The registered office of the Corporation shall be at **Hyderabad** in the State of Telangana.
- II. The main aim of the Special Purpose Vehicle is to assist the Government to plan, appraise, and evaluate the projects. The Special Purpose Vehicle will be headed by a full time Chairman and have nominees of State Government and financial institutions on its Board.

**III. The State shall ensure that :**

- (a) A dedicated and substantial revenue stream is made available to the Special Purpose Vehicle so as to make it self-sustainable and could evolve its own credit worthiness for raising additional resources from the market. The State Government shall put in a capital corpus amount of Rs.100.00 crore in the Special Purpose Vehicle and the said amount shall be invested in a manner such that the returns arising there upon be used to set off corporation's expenditure.
- (b) Government contribution for the projects is used only to create infrastructure that has public benefit outcomes.

4. Funds provided by the financial institutions to the Special Purpose Vehicle will be in the form of loan and kept as a **separate Fund**. These funds will be utilized only for the purposes for which the grants have been given and subject to the conditions laid down by the Government.

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5. The State Government and the financial institutions will determine the paid up capital requirements of the Special Purpose Vehicle commensurate with the following terms:

**Structure and Functions**

(a) Special Purpose Vehicle will be established as a Limited Company under the Companies Act, 2013 and will be promoted by the State Government and the financial institutions jointly.

**(b) Board of Directors:**

The Board of Directors will have representatives of State Government, financial institutions. Additional Directors may be taken on the Board, as considered necessary. The Company and shareholders will voluntarily comply with the provision of the Companies Act, 2013 with respect to induction of independent directors. Below are given the broad terms of appointment and role of the Special Purpose Vehicle Board.

- (i) The Chairperson of the Special Purpose Vehicle will be the Chief Minister or a person nominated by the state Government.
- (ii) The representative of the financial institutions will be a Director on the Board of the Special Purpose Vehicle.

**(d) Delegation of powers**

- (i) One of the primary reasons for the creation of an Special Purpose Vehicle is to ensure operational independence and autonomy in decision making and mission implementation.
- (ii) The State Government may delegate certain powers to the Corporation from time to time

**(e) Raising and utilization of funds by the Company (Special Purpose Vehicle).**

The funds given by the financial institutions to the Special Purpose Vehicle will be in the shape of term loan and kept in a separate Fund/Head. These funds will be utilized only for the purposes given in the Mission Statement and Guidelines and subject to the conditions laid down by the State Government.

The Special Purpose Vehicle will also access funds from other sources such as debt, loans, user charges, taxes, surcharges, etc

- (i) Entering into contracts or arrangements for and on behalf of the Company in all matters within the ordinary course of the Company's business.

**(f) Functions of the Managing Director include :**

- (i) Overseeing and managing the general conduct of the day-to-day operations of the Special Purpose Vehicle subject to the supervision and control of the Board.
- (ii) To formulate and submit to the Board of Directors for approval a Human Resource Policy that will lay down procedures for creation of staff positions, qualifications of staff, recruitment procedures, compensation and termination procedures.

- (iii) Recruitment and removal of the senior management of the Company and the creation of new positions in accordance with the Company's approved budget and the recruitment or increase of employees in accordance with the Human Resource Policy laid down by the Board.
- (iv) Supervising the work of all employees and managers of the Company and the determination of their duties, responsibilities and authority;

**(g) The functions and responsibilities of the Special Purpose Vehicle:**

- (i) Take measures to comply with the requirements of financial institutions with respect to the implementation of Irrigation Projects.
- (ii) Mobilize resources within timelines and take measures necessary for the utilization of resources.
- (iii) Commission the reports of a third party Review and Monitoring Agencies.
- (iv) Oversee Capacity Building activities.
- (v) Determine and collect user charges as authorized by the State Government.
- (vi) Collect taxes, surcharges etc. as authorized by the State Government.

6. The Engineer-in-Chief (Irrigation), Hyderabad is requested to get registered the Telangana Water Resources Development Corporation (Special Purpose Vehicle) under Companies Act as per norms.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)**

**Dr. SHAILENDRA KUMAR JOSHI  
SPECIAL CHIEF SECRETARY TO GOVERNMENT**

To  
The Engineer-in-Chief (Irrigation), Hyderabad, Telangana.  
The Accountant General, Hyderabad.  
The Director of works and Accounts, Hyderabad.

**Copy to:**

The PS to Hon'ble Chief Minister  
The PS To Hon'ble Minister Irrigation  
The PS to Chief Secretary,  
The Law (A) Dept.

**// FORWARDED : : BY ORDER //**

**SECTION OFFICER**